

June 28, 2017

Congressman Brad Wenstrup  
Chairman, Subcommittee on Health  
House Veterans Affairs Committee  
335 Cannon House Office Building  
Washington, DC 20515

RE: Letter correcting 062317 Record from House Veterans' Affairs Subcommittee on Health during the hearing entitled, "FY 2018 Department of Veterans Affairs Budget Request for the Veterans Health Administration"

Dear Chairman Wenstrup,

I am writing with regard to the testimony provided by Dr. Poonam Alaigh, M.D., Acting Under Secretary of Health, Veterans Health Administration, Department of Veterans Affairs before the House Veterans Affairs Subcommittee on Health during the hearing entitled, "FY 2018 Department of Veterans Affairs Budget Request for the Veterans Health Administration" held on June 23, 2017.

During the hearing, in response to a question from Congressman Bilirakis regarding prompt payment of providers, Dr. Alaigh stated that "Our (VA's) payment to the TPAs (Third Party Administrators) is within thirty days. The TPAs then have to pay the provider."

This statement is factually incorrect. Under the Veterans Choice Program, the TPAs pay the provider claims first from their own funds then invoice the VA for reimbursement. The correct process is as follows:

- A veteran is referred to the Choice program by the VA.
- The veteran calls the Health Net Federal Services (HNFS) Veterans Choice Call Center to confirm eligibility.
- HNFS locates a VCP provider who can accept the veteran as a patient.
- HNFS schedules appointment on behalf of veteran and faxes the provider information about the appointment, including the authorization number, veteran contact details and additional details given to HNFS by VA.
- The provider treats the veteran and submits a claim (electronically or mailed) to HNFS.
- Separately, the provider faxes medical documentation to HNFS. HNFS receives and processes the claim and pays the provider.
- Only then does HNFS invoice the VA for reimbursement for the paid claim.
- On average, VA reimburses HNFS within thirty days of invoice.

Working in this way, over the last 18 months, HNFS has reimbursed community providers supporting eligible veterans located throughout the states and VA regions we are responsible for more than \$1.2 billion in paid claims – all of which has been paid by our company in advance of any reimbursement from VA. On average, our company has maintained a balance of not less than \$125 million paid in advance on behalf of the US Government in support of Choice Program health care costs. At times, the balance of paid claims we have maintained has exceeded \$250 million pending adjudication through the invoicing process of the VA.

Fulfilling our responsibilities as a Veterans Choice Program (VCP) contractor has required HNFS, with the full support of our publicly-traded parent, Centene Corporation, to make extraordinary capital commitments that are unique and effectively unprecedented for a government contractor. In fact, it is fair to say that not many companies, and certainly not many government-sector contractors, would even have the ways and means to make such advance payment commitments.

I respectfully request that this letter be submitted for the record for the June 23, 2017 Health Subcommittee hearing. Thank you for this opportunity to set the record straight. Serving the health care needs of those who serve our great country has been the singular mission of our company for nearly 30 years. We are honored every day to have the opportunity to serve our nation's veterans as a partner with the VA in the Veterans Choice Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Billy R. Maynard". The signature is fluid and cursive, with a large initial "B" and a stylized "M".

Billy R. Maynard  
President and CEO  
Health Net Federal Services, LLC